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Opinion of the Court Below.

The Court of Appeals entered its order of April 9, 1947, denying Petitioners' motions without opinion.

The previously rendered opinion of the Court of Appeals entered with its decree of July 1, 1946, is officially reported in Goodwin v. Borg-Warner Corp., 157 F (2d) 267.

IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1946.

No.

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,

Petitioners,

vs.

GEORGE I. GOODWIN and JOHN F. DAUKUS,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

To the Honorable Frederick M. Vinson, Chief Justice of the United States, and The Associate Justices of the Supreme Court of the United States:

Your Petitioners respectfully show:

Summary Statement of Matter Involved.

Petitioners (appellees, plaintiffs below) seek a review of a judgment (order) of the United States Circuit Court of Appeals for the Sixth Circuit entered April 9, 1947 (R. 585), denying petitioners' motions (1) to reform a decree

of that Court entered July 1, 1946 (R. 439), and (2) to vacate that decree and dismiss the appeal. The decree, which was the subject of a petition for writ of certiorari denied by this Court, in Borg-Warner Corporation et al v. George I. Goodwin et al., October Term 1946, No. 700 (R. 497), reversed a judgment of the District Court of the United States for the Eastern District of Michigan, Southern Division, entered June 20, 1945 (R. 40) and remanded the case for an accounting and for further proceedings in accordance with the opinion of the Court of Appeals (R. 440), which too was filed July 1, 1946. In order to enable the Court fully to review the proceedings in the Court of Appeals, petitioners present contemporaneously a petition for leave to file petition for rehearing in No. 700.

The judgment of the District Court (R. 40) and its findings of fact and conclusions of law (R. 35-40) disposed of three sets of issues:

(1) The issue of priority of invention under petitioners' complaint based on Section 4915 R.S., U.S.C. Tit. 35, Sec. 63, and respondents answer thereto (R. 2, 10);

(2) The issue of validity as to all claims of Daukus Patent No. 2,324,913 under petitioners' supplemental bill of complaint based on the Declaratory Judgment Act, U.S.C. Tit. 28, Sec. 400 (Judicial Code Sec. 274 (d), and respondent's answer thereto (R. 24, 30);

(3) The issue of validity as to nine specified claims of the same patent under respondents' counterclaim and petitioners' answer thereto (R. 31, 32).

While respondents, in their counterclaim, charged infringement of the patent generally and prayed a decree that the patent "is valid and has been infringed by plaintiffs" and petitioners in their answer thereto asserted that the patent is "invalid as to all claims thereof", respondents at the trial

and in their proposed findings of fact chose to rely for infringement only upon nine specified claims, namely claims 4, 6, 13, 14, 15, 17, 19, 20, and 23, and the District Court so found (R. 36). Thus the issues under the counterclaim were limited at the trial to validity and infringment of the nine specified claims.[1]

The District Court did not pass on the issue of infringement, but adjudged all claims of the patent to be invalid for want of invention, enjoined respondents from making further charges of infringement against Borg-Warner, and dismissed petitioners' original complaint and respondents' counterclaim. Its findings of fact and conclusions of law make it clear that in adjudging all claims of the patent to be invalid, it was granting petitioners relief under their supplemental bill of complaint based on the Declaratory Judgment Act.

Petitioners did not appeal from any part of the judgment of the District Court. Respondents, after having first appealed from that judgment generally (R. 41), amended their notice of appeal to limit it to "that part of the final judgment . . . which dismisses defendants' counterclaim" (R. 44), and in their (appellants') brief on appeal limited their "**Statement of Questions Involved**" to (R. 590):[2]

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[1] See **Electrical Fittings Corp. v. Thomas and Betts Co.**, 307 U. S. 241, 242; **Altvater v. Freeman**, 319 U. S. 359, 363; **Cover v. Schwartz** (CCA2) 133 F(2) 541, 545, 546, 547; **France Mfg. Co. v. Jefferson Electric Co.** (CCA6) 106 F(2) 605, 610, 611.

[2] Rule 21 (1,2a) of the Circuit Court of Appeals for the Sixth Circuit provides:

1. Counsel for appellant, within thirty days after the filing of the printed copies of the record, shall file with the clerk twenty printed copies of a brief.

2. This brief shall contain, in order here stated: (a) On the first page of the brief appellant shall, under the hearing "Statement of Questions Involved," state the

"1. Did Daukus' contribution to the clutch plate art amount to patentable invention in view of the state of the art at the time he made the invention?

The District Judge found that it did not amount to patentable invention.

The District Judge should have found that it did.

"2. Is Borg-Warner Corporation's 'Borglite' clutch plate an infringement of any of the claims of the Daukus patent?

The District Judge, having found the patent invalid in its entirety, did not pass on this.

The District Judge should have found claims 4, 6, 13, 14, 15, 17, 19, 20 and 23 of the patent valid and infringed by the 'Borglite' plate."

Thus at the very point in their brief where, according to the applicable rule of the Court of Appeals, they should have presented any question as to the invalidity of claims other than those which they had specified as relied upon by them for the purpose of infringement, respondents failed to present any such question.

On the first page of the same appellants' brief (R. 603) it is stated:

"This is an appeal from the judgment of the District Court in dismissing defendants' patent infringement counterclaim, in which counterclaim defendants had asked that the Court find Daukus patent No. 2,324,913 valid and infringed."

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[2] Continued.

questions involved in the appeal. Each question shall be numbered and set forth separately, in the briefest terms, and whenever possible, each question must be followed immediately by a statement as to whether the lower court answered it "Yes," or "No," or qualified it, or failed to answer it, together with a statement that appellant contends that it should be answered "Yes" or "No" as the case may be.

On the second page of the same brief (R. 604) it is stated under the heading "**The Judgment.**":

> "The District Court dismissed the original complaint, held the Daukus patent invalid and dismissed the counterclaim (Rec. 40). Plaintiffs did not appeal. Defendants have appealed from that part of the judgment which dismissed the counterclaim (Rec. 44)."

On pages 16, 17 and 37 of the same brief it is further stated (R. 618, 619, 639):

> (pp. 16, 17) "The District Judge was advised at the time of the trial that on the issue of patent infringment defendants were relying on claims 4, 6, 13, 14, 15, 17, 19, 20, and 23 as infringed."
> (p. 37) "Of the nine claims which are asserted here as infringed, namely, claims 4, 6, 13, 14, 15, 17, 19, 20 and 23 . . . "

Respondents did not at any stage of the proceedings on their appeal, either in their briefs or otherwise, dispute, raise any question, or seek any review of the adjudication by the District Court as to the remaining fourteen claims of the Daukus patent, namely, claims, 1-3, 5, 7-12, 16, 18, 21 and 22. Nor did respondents at any time file a disclaimer as to any of those claims as provided in the disclaimer statutes above cited.[3] The Court of Appeals, in its opinion, considered the appeal as limited to the nine claims specified in the above-quoted excerpt from respondents' brief on appeal, saying (R. 443, 444):

> "Nine claims are in issue. . . . Claim 13 is representative. . . ."

The Court of Appeals did not discuss or pass on the va-

[3] This was not only admitted in respondents' brief in opposition to the motions (R. 531) but by respondents' counsel at the hearing on the motions. It is also shown in an affidavit accompanying the motion (R. 510).

lidity of any of the other fourteen claims which the District Court had adjudged invalid. While petitioners in their brief on appeal pointed out the invalidity of claims other than those upon which respondents had chosen to rely, that matter was incidental to their discussion of the nine claims in issue and was ignored by respondents and by the Court of Appeals.

Plainly confining its review to the nine specified claims and disregarding the other fourteen claims adjudged invalid by the District Court including admittedly (R. 524) invalid broader claims, the Court of Appeals, in its opinion, expressed the view that the finding of the District Court that there was no patentable invention disclosed in the application upon which the Daukus patent issued:

> "miscomprehends the purpose and the gist of the claimed invention" (R. 445),

and considering claim 13, one of the more limited claims of the patent, as representative, held the nine claims relied upon by respondents to be valid and infringed by Borg-Warner's "Borglite" plate, concluded "that the patent is valid", and reversed the decree of the District Court and remanded the case "for an accounting and for further proceedings in accordance with this opinion" (R. 444, 445, 451). Thus the Court of Appeals, with its attention focussed on the nine selected claims, and without considering the fourteen other claims which the District Court adjudged invalid in a part of its judgment from which no appeal was taken, in terms validated the patent as an entirety and reversed the lower court's judgment generally. In other words, while recognizing that the issues on appeal were limited to the questions of validity and infringement of but nine of the twenty-three claims of the patent, and notwithstanding the District Court had adjudged all twenty-three invalid, the Court of Appeals assumed to

adjudge "the patent" valid. The result is that the decree of the Court of Appeals as it stands confounds the District Court with the problem of reconciling with the decree of the Court of Appeals adjudging the patent valid and infringed as to but nine claims under the counterclaim, its own judgment become final without appeal and adjudging all twenty-three claims of the patent invalid under the supplemental bill of complaint.

The motions, which are the subject of this petition and were denied, following oral argument without opinion (R. 585), were filed in the Court of Appeals promptly following this Court's denial of petition for rehearing in No. 700 and before issuance of mandate (R. 586,-7). They were filed to meet the requirements of *McCullough* v. *Kammerer Corp.*, 323 U. S. 327. The motions set forth the facts substantially as they have been stated and respectively presented the questions (R. 499, 515):

(1) whether or not the Court of Appeals exceeded its jurisdiction in reversing generally the judgment of the District Court in view of the limitation of the appeal to that part of the judgment dismissing respondents' counterclaim, and

(2) whether or not the jurisdiction of the Court of Appeals had failed, requiring that the decree of that court be vacated and the appeal dismissed, due to the controversy's having become moot while the appeal was pending because of respondents' unreasonable neglect or delay to enter a disclaimer pursuant to Secs. 4917, 4922 R.S., U.S.C. Tit. 35, Secs. 65, 71, of one or more claims adjudged invalid by the District Court in an unappealed part of its judgment granting petitioners relief under their supplemental complaint.[4]

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[4] See Alma Motor Co. v. Timken-Detroit Axle Co., 91 L. Ed. 150, 156, decided December 19, 1946; Altvater v. Freeman, supra; Cover v. Schwartz, supra. The motion to vacate the decree of the Sixth Circuit Court of Appeals also included

Supporting affidavits accompanying the motions also set forth occurrences at the trial in the District Court which were reported in an official transcript of the proceedings at the trial but were not incorporated in the printed record on appeal (R. 509,-10). These matters include statements by respondents' counsel at the trial recognizing the invalidity of the broader claims of the patent in suit, including particularly claims 1 and 2, in view of evidence adduced in the trial, and an election by respondents to rely only on the nine specified claims which have been noted and excluding the admittedly invalid broader claims. It is fair to assume that the District Court had those statements of respondents' counsel in mind when it made its findings of fact and conclusions of law and entered its judgment.[5]

The Court of Appeals was requested to take judicial notice of the record and briefs filed with it in this cause and that respondents failed to assert validity and infringement in that Court of any claims of the patent in suit except those specified in their brief as above stated (R. 506).

The motion to vacate the decree and dismiss the appeal further set forth (R. 500-507):

That upon the expiration of the statutory period for

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[4] Continued.
a motion, "alternatively, and additionally, that the cause be remanded to the District Court of the United States for the Eastern District of Michigan for the purpose only of permitting and enabling the said plaintiffs to file in that Court an amended and supplemental answer to defendants' counterclaim setting forth as a defense the matters hereinafter stated, and a responsive pleading, if desired, by defendants, appellants, and a trial of the issue presented thereby and an adjudication thereof by the said District Court, and further proceedings according to law, to the end that this Court may be better advised in its determination of the matters presented herein."

[5] See Oscanyan v. Arms Co., 103 U. S. 261, 278.

appeal (three months after the entry of judgment) provided by U.S.C. Tit. 28, Sec. 230, the judgment of the District Court entered June 20, 1945, except as to that part of it dismissing defendants' counterclaim became final and conclusive as defendants' appeal when completed was limited to that part of the judgment dismissing defendants' counterclaim;

That since by that judgment all claims of the patent in suit were adjudged to be invalid, and under the counterclaim defendants limited their assertion of validity and infringement of claims of that patent to claims Nos. 4, 6, 13, 14, 15, 17, 19, 20 and 23, it became the duty of defendants under the disclaimer statutes (Secs. 4917, 4922 R.S., U.S.C. Tit. 35 Secs. 65, 71), promptly upon the expiration of the statutory period for appeal, to file a disclaimer of each of the claims adjudged to be invalid and not asserted under the counterclaim, namely, claims 1, 2, 3, 5, 7, 8, 9, 10, 11, 12, 16, 18, 21, and 22[6];

That that court has held in several cases that a period of thirty days is sufficient for this purpose[7];

That defendants have filed no disclaimer of any of the claims of the patent in suit in conformity with the stat-

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[6] Citing **Ensten v. Simon Ascher & Co.**, 282 U.S. 445, 453; **Maytag Co. v. Hurley Machine Co.**, 307 U.S. 243, 245, 246; **Marconi Co. v. U. S.**, 320 U.S. 1, 45-48; **Otis Elevator Co. v. Pacific Finance Corp.**, 68 F(2) 664, 670, 671; **Railway Engineering Co. v. Oregon Short Line Co.**, 79 F(2) 469, 472; **Radio Condenser Co. v. General Instrument Corp.**, 65 F(2) 458, 459; **Apex Electrical Mfg. Co. v. Maytag Co.**, 122 F(2) 182, 188, 189.

[7] Citing **Herman v. Youngstown Car Mfg. Co.** (CCA6) 191 Fed. 579; **Higgin Mfg. Co. v. Watson** (CCA6) 263 Fed. 378, 387; **Excelsior Steel Furnace Co. v. Williamson Heater Co.** (CCA6) 269 Fed. 614, 619.

utes cited, as appears from an affidavit accompanying this motion;

That the court, moreover, would take judicial notice that no such disclaimer has been presented in court in connection with this cause, and is requested so to do; and that more than one year and four months have elapsed since September 20, 1945, when the statutory period for appeal from the judgment of the District Court entered June 20, 1945, expired;

That under decisions cited, a reasonable time for the filing of the disclaimer having elapsed since the judgment of the District Court became final, and defendants having unreasonably neglected or delayed to enter a disclaimer, the entire patent in suit has become invalid;

That the jurisdiction of the court has accordingly failed for want of litigable subject matter; and

That it is, therefore, the duty of the court to vacate its judgment and dismiss the appeal.[8]

The Court of Appeals gave no explanation of its denial of the motions.

The questions involved, it is believed, are sufficiently stated in the following:

Reasons for Granting the Writ.

I. The Court of Appeals in reversing the judgment of the District Court generally and in refusing to reform its decree to conform to the amended notice of appeal exceeded

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[8] Citing **Cover v. Schwartz** (CCA2) 133 F(2) 541, 545, 546, 547; **Altvater v. Freeman**, 319 U. S. 359, 363-365; **Milcor Steel Co. v. George A. Fuller Co.** (CCA2) 122 F(2) 292, 293, affd. 316 U. S. 143; **U. S. v. Alaska S. S. Co.**, 253 U. S. 113; **U. S. v. Corrick**, 298 U. S. 435, 440; **County of Dakota v. Glidden**, 113 U. S. 222; **The American Wood Paper Co. v. Heft**, 75 U. S. 333; 19 L. Ed. 378, 379; **Lord v. Veazie**, 8 How. 251.

its jurisdiction and departed from applicable decisions of this Court and various circuit courts of appeals.

II. There was a failure of jurisdiction of the Court of Appeals on respondents' appeal from that part of the District Court's judgment which dismissed their counterclaim charging infringement of United States letters patent, as to which they relied on selected claims, due to respondents' having unreasonably neglected or delayed to enter a disclaimer under Sections 4917, 4922 R.S., U.S.C. Tit. 35, Secs. 65, 71, of one or more other claims of the patent in suit adjudged invalid in an unappealed part of the District Court's judgment, whereby the patent was rendered invalid in its entirety and the controversy moot while the appeal was pending, so as to require the Court of Appeals to vacate its decree and dismiss the appeal.

In failing so to hold and to vacate its decree and dismiss the appeal, the Court of Appeals departed from applicable decisions of this Court and of various circuit courts of appeal.

III. The Court of Appeals has departed from applicable decisions of this Court in respect to an important question of federal procedure.

Wherefore, Petitioners pray that a Writ of Certiorari issue under the seal of this Court directed to the United States Circuit Court of Appeals for the Sixth Circuit, sitting at Cincinnati, Ohio, commanding said Court to certify and send to this Court on a day to be designated, a full and complete transcript of the record, and all proceedings of the said Circuit Court of Appeals had in the case numbered and entitled on its docket No. 10,119, George I. Goodwin and John F. Daukus, Appellants, *v.* Borg-Warner Corporation and David E. Gamble, Appellees, to the end that this cause may be reviewed and determined by this Court; that the judgment therein of the said Circuit Court of Appeals be reversed by this Court; and that the cause be remanded

to that Court with directions to reform its decree, to vacate its decree, and to dismiss the appeal, and that petitioners have such other and further relief as this Court may deem proper.

MAX W. ZABEL
EDWARD C. GRITZBAUGH
BENTON BAKER
Counsel for Petitioners.

BRIEF IN SUPPORT OF PETITION.

Jurisdiction.

Petitioners rely on Sec. 240(a) of the Judicial Code as amended by the Act of February 13, 1925, U.S.C. Tit. 28, Sec. 347, for the exercise of jurisdiction by this Court to review a judgment of the United States Circuit Court of Appeals for the Sixth Circuit dated April 9, 1947 (R. 585).

That judgment was entered in a civil action instituted by petitioners under Sec. 4915 R. S., U.S.C. Tit. 35, Sec. 63, wherein a supplemental bill of complaint was filed under the Declaratory Judgment Act, U. S. C. Tit. 28, Section 400; Judicial Code Sec. 274(d), alleging jurisdiction under the Act of March 3, 1911 c.231, Sec. 24, par.7, Stat.1902, U.S.C. Tit.28, Sec. 41(7), to declare United States letters patent invalid, and a counterclaim was filed charging infringement of the same letters patent.

That judgment, which is in form an order, denied petitioner's motions (1) to reform a decree of that Court entered in that action July 1, 1946 (R. 439) and (2) to vacate that decree and dismiss the appeal (R. 585).

The decree of July 1, 1946, as to which a petition for rehearing was denied September 23, 1946 (R. 485) and a second petition for rehearing was denied October 21, 1946 (R. 495), was also the subject of a petition for a writ of certiorari denied by this Court January 6, 1947, in Borg-Warner Corporation et al. v. George I. Goodwin, October Term, 1946, No. 700. A petition for rehearing was denied by this Court February 3, 1947.

This petition is presented within three months from and after the order of April 9, 1947, denying those motions.

Statement.

The facts generally are sufficiently stated in the petition.[9]

It should be noted in connection with the excerpts from the transcripts of the trial proceedings contained in the affidavits accompanying the motions which were denied by the order of which review is sought, that, as the record shows (R. 85-146), the evidence presented to the District Court at the trial included testimony and physical exhibits which established extensive commercial production by Borg-Warner of certain prior art structures, particularly those known as the Ahlene and Reed commercial struc-

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[9] The action began (R. 2) as a suit under Section 4915 R.S., U.S.C. Tit. 35, Sec. 63. It was begun following a notice of election by respondents under Sec. 4911 R.S., U.S.C. Tit. 35, Sec. 59a, when petitioners had given notice under Section 4912 R.S., U.S.C. Tit. 35, Section 60, of their appeal to the Court of Customs and Patent Appeals from a decision of the Board of Interference Examiners. That decision was rendered in an interference proceeding involving the application which resulted in the patent in suit and an application of petitioner Gamble awarding priority of invention to Daukus. After issue had been joined by the filing of defendant's answer (R. 10), the patent in suit was granted. Thereupon respondents notified petitioner Borg-Warner Corporation of infringement under that patent and to discontinue the manufacture and sale of its Borglite plates claimed to infringe the patent. Petitioners then, with leave of court, filed their supplemental bill of complaint (R. 24) under the Declaratory Judgment Act, U. S. C. Tit. 28, Sec. 400, Judicial Code Sec. 274 (d), seeking an adjudication of the invalidity of the patent in suit, and that petitioners have not infringed its claims, a declaration of the rights and legal relations of the parties as to the controversy, preliminary and final injunctions restraining respondents from asserting the patent, and other relief. Respondents' answer (R. 30) to this was accompanied by a counterclaim charging petitioners with infringement of the patent generally. Petitioners denied the charge of infringement and asserted that the patent is invalid as to all claims thereof (R.31, 32).

tures which are to be distinguished from the disclosures of certain patents to Ahlene and Reed. And it was contended and the District Court held, that those commercial structures, either alone or when considered with other prior art, rendered invalid all claims of the Daukus patent in suit. It was in relation to this evidence that the discussion occurred as reported in these excerpts from the transcripts.

Regardless of whether or not the excerpts from the transcripts constitute an admission or recognition of the invalidity of the broad claims of the patent under the *Oscanyan* case, when respondents' requests for findings of fact and the statements contained in their brief on appeal, and the findings of fact of the District Court, are considered, it is clearly established (admitted in respondents' brief in the Court of Appeals, R. 618,-19) that respondents elected at the trial to rely on nine specified claims, namely claims 4, 6, 13, 14, 15, 17, 19, 20 and 23 of the patent in support of their charge of infringement under their counterclaim.

Consideration of the broader claims of the patent, particularly claims 1 and 2, with claim 13 on which respondents chose to rely, on the one hand, and with the prior art commercial structures in evidence on the other hand, strongly suggests that the selection of the nine claims was made with the hope of avoiding an adverse decision on the question of the validity of the broad claims, which clearly are met by the prior art commercial structures.

It was in that situation that the District Court made its findings of fact, conclusions of law, and rendered its judgment.

Petitioners insist that:

1. The jurisdiction of the Circuit Court of Appeals

for the Sixth Circuit was limited by respondents' amended notice of appeal to a review of that part of the judgment of the District Court entered June 20, 1945, which dismissed respondents' counterclaim.

2. That part of the judgment of the District Court which dismissed defendants' counterclaim was and is a distinct and separable part of that judgment.

3. Respondents having elected to rely at the trial before the District Court for the purpose of infringement upon nine specified claims of the patent in suit, the issues under their counterclaim were limited to the questions of validity and infringement of those claims.

4. Respondents having thus limited the issues under their counterclaim and their appeal, and having in their brief on appeal restricted their presentation of matters to be reviewed by the Court of Appeals to the questions of validity and infringement of the same nine specified claims, and the Court of Appeals in its opinion having considered the issues subject to review by it as limited to the same nine claims and confined its review to those claims, the decree of the Court of Appeals should have been correspondingly limited.

5. In refusing to reform its decree to conform to the amended notice of appeal, the Sixth Circuit Court of Appeals has departed from applicable decisions of this Court and of other Circuit Courts of Appeals and from the usual and accepted course of judicial proceedings to an extent calling for the exercise of this Court's power of supervision.

6. When respondents amended their notice of appeal as they did, to limit it to that part of the judgment of the District Court which dismissed their counterclaim, they abandoned the contest and conceded the correctness of the judgment as to the invalidity of all claims of the patent

in suit not included among those which they had specified as the ones upon which they had chosen to rely for infringement.

7. Having failed to take an appeal co-extensive with the District Court's adjudication that all twenty-three claims of the patent are invalid, it became incumbent upon respondents promptly to enter a disclaimer as to each of the fourteen claims not included among the nine specified as relied on.

8. No disclaimer having been entered, and more than a reasonable time for entering a disclaimer having elapsed during the pendency of the appeal, the patent in its entirety became invalid, thereby rendering the controversy moot and requiring that the appeal be dismissed.

9. In refusing to vacate its decree and dismiss the appeal or otherwise to act upon petitioners' motions the Sixth Circuit Court of Appeals has departed from applicable decisions of this Court and other Circuit Courts of Appeals and from the usual and accepted course of judicial proceedings to an extent calling for the exercise of this Court's power of supervision.

Specification of Errors.

The Circuit Court of Appeals erred:

(1) In denying petitioners' motions, and each of them.

(2) In failing to reform its decree entered July 1, 1946 to conform to the amended notice of appeal.

(3) In failing to vacate its decree entered July 1, 1946 and dismiss the appeal.

ARGUMENT.

The Circuit Court Of Appeals For The Sixth Circuit, In Reversing The Judgment Of The District Court Without Limitation To That Part Of The Judgement Specified In The Amended Notice Of Appeal, And In Refusing To Reform Its Decree To Conform To The Amended Notice Of Appeal, Exceeded Its Jurisdiction And Departed From Applicable Decisions Of This Court And Other Circuit Courts Of Appeals And From The Accepted And Usual Course Of Judicial Proceedings To An Extent Calling For The Exercise Of This Court's Power Of Supervision.

The notice of appeal as finally amended was expressly limited to a distinct and separable part of the judgment of the District Court entered June 20, 1945, namely, "that part of the judgment . . . which dismisses defendants' counterclaim". As no appeal was taken from any other part of that judgment, the jurisdiction of the Circuit Court of Appeals for the Sixth Circuit was necessarily limited, according to the provisions of Rule 73(b) of the Federal Rules of Civil Procedure, to a review of the specified part of that judgment. This Court and several Circuit Courts of Appeals, including the Sixth Circuit Court of Appeals have so held. See *Alma Motor Co.* v. *Timken-Detroit Axle Co.*, ... U. S. .....; 91 L. Ed. 150, 156, decided December 19, 1946; 71 USPQ 254, 259; *American Fork & Hoe Co.* v. *Stampit Corp.* (CCA6), 125 F(2) 472, 474; *Carter* v. *Powell* (CCA5), 104 F(2) 428, 430.

The issues presented under the counterclaim were one of three sets of issues presented by the pleadings, as pointed out in the foregoing petition. The issues under the counterclaim originally were not re-

stricted to any particular claims of the patent in suit, but when respondents at the trial before the District Court, with knowledge of the doubtful validity of other, broader claims, chose to rely for the purpose of infringement upon nine specified claims of the patent in suit, the issues under their counterclaim became limited to the questions of validity and infringement of those nine specified claims. The Sixth Circuit Court of Appeals has so held in *France Mfg. Co.* v. *Jefferson Electric Co.*, 106 F(2) 605. And this Court in *Electrical Fittings Corp.* v. *Thomas & Betts Co.*, 307 U. S. 241, 242 and *Altvater* v. *Freeman*, 319 U. S. 359, 363 has established the proposition that a patentee may not litigate the question of validity of a claim of a patent independently of its infringement. The decision of the Circuit Court of Appeals for the Second Circuit in *Cover* v. *Schwartz*, 133 F(2) 541, is to the same effect.

The situation presented in this case is the converse of that presented in *Altvater* v. *Freeman, supra.* There the owners of the patents in suit filed a bill for specific performance of a license agreement and other relief, and the defendants filed a counterclaim seeking a declaratory judgment that the patents were invalid. In other words, the counterclaiming defendants in that case were in the position of petitioners here. The Court, speaking through Mr. Justice Douglas in the *Altvater* case, said (p. 363):

> "'The case is here on a petition for writ of certiorari which we granted because of the apparent misinterpretation by the Circuit Court of Appeals of our decision in *Electrical Fittings Corp.* v. *Thomas & Betts Co.*, 307 US 241, 83 L ed 1263, 59 S Ct 860.
> "That case was tried only on bill and answer. The District Court adjudged a claim of a patent valid although it dismissed the bill for failure to prove infringement. We held that the finding of validity was

immaterial to the disposition of the cause and that the winning party might appeal to obtain a reformation of the decree. To hold a patent valid if it is not infringed is to decide a hypothetical case. See *Cover* v. *Schwartz* (CCA2) 133 F(2d) 541. But the situation in the present case is quite different. We have here not only bill and answer but a counterclaim. Though the decision of non-infringement disposes of the bill and answer, it does not dispose of the counterclaim which raises the question of validity. *Sola Electric Co.* v. *Jefferson Electric Co.* 317 US 173, ante, 165, 63 S Ct 172, is authority for the proposition that the issue of validity may be raised by a counterclaim in an infringement suit. And see *Leach* v. *Ross Heater & Mfg. Co.* (CCA2) 104 F(2) 88; Borchard, Declaratory Judgments 2d ed. pp. 812-814."

If there were any room for doubt as to the limitation of the issues under defendants' counterclaim by the proceedings in the District Court, that doubt is dispelled and the limitation confirmed by the proceedings in the Sixth Circuit Court of Appeals, where respondents (defendants) restricted their presentation of matters to be reviewed by the Court of Appeals to the questions of validity and infringement of the same nine specified claims and that court in its opinion considered the issues subject to review by it as limited to the same nine specified claims and confined its review to those claims. The decision of the First Circuit Court of Appeals in *Anderson Co.* v. *Lion Products Co.*, 127 F(2) 454, 455, is to that effect.

While the Sixth Circuit Court of Appeals correctly recognized the limitation of issues under defendants' counterclaim to the questions of validity and infringement of the nine claims upon which they chose to rely for infringement at the trial, it misinterpreted applicable decisions of this Court in stating in its opinion (R. 451) that "the patent is valid" and reversing the judgment of the Dis-

trict Court generally and without limitation to "that part of the judgment of the District Court . . . which dismisses defendants' counterclaim" specified in the notice of appeal. Obviously, it is improper to speak of the validity of a patent, except in relation to specific claims, for, as stated in *Milcor Steel Co.* v. *George A. Fuller Co.*, 316 U. S. 143, 145, 146, it is the claims "that afford the measure of the grant to the patentee". Indeed, were it otherwise, there would be little purpose in the disclaimer statutes. Certainly with an unappealed judgment of the District Court outstanding and adjudging all claims of the patent invalid, the Circuit Court of Appeals could not with due regard for the proper administration of justice speak of the validity of the "patent" while confining its review to the questions of validity and infringement of the nine specified claims, as it expressly said it did [10] and the amended notice of appeal required it to do.

The motion to reform was proper, timely, and well founded. It was designed to conform the decree to the jurisdiction of the court. It was filed promptly following this Court's denial of a petition for a writ of certiorari, and petition for rehearing, and before issuance of mandate, as in *McCullough* v. *Kammerer Corp.* (CCA9) 156 F(2) 343, 344. See *McCullough* v. *Kammerer Corp.*, ... U.S. ....., 73 USPQ 136, 137; October Term 1946, decided April 28, 1947. The motion afforded the Court of Appeals full opportunity to clarify its decision and avoid the confusion which must confront the District Court if required to carry out the mandate of the Court of Appeals as it now stands.

The Sixth Circuit Court of Appeals had both the duty

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[10] (R. 443, 444) "Nine claims are in issue".

and the power to reform or vacate its own judgment; *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.*, 322 U.S. 238, 248, 249, 250. See also *U. S.* v. *Sotis* (CCA 7) 131 F (2d) 783, 787, and *John Simmons Co.* v. *Grier Bros. Co.*, 258 U.S. 82, 91; Cf. *Hill* v. *Hawes*, 320 U.S. 520. In refusing to reform its decree to conform to the amended notice of appeal, it clearly departed from the applicable decisions of this Court and of other circuit courts of appeals which have been cited.

There Was A Failure Of Jurisdiction Of The Sixth Circuit Court Of Appeals On Respondents' Appeal From That Part Of The District Court's Judgment Which Dismissed Their Counterclaim, Due To Respondents' Having Unreasonably Neglected Or Delayed To Enter A Disclaimer Under Sections 4917, 4922 R.S. U.S.C. Tit. 35, Secs. 65, 71, Of One Or More Claims Of The Patent In Suit Adjudged Invalid In Another Part Of The District Court's Judgment From Which No Appeal Was Taken And Not Relied On By Respondents Under Their Counterclaim, Whereby The Patent Was Rendered Invalid In Its Entirety And The Controversy Moot While The Appeal Was Pending, And Requiring The Court Of Appeals To Vacate Its Decree And Dismiss The Appeal.

When respondents amended their notice of appeal as they did, and limited it to that part of the judgment of the District Court which dismissed their counterclaim, they abandoned the contest and conceded the correctness of the judgment of the District Court as to the invalidity of all claims of the patent in suit not included among those which they specified as the ones upon which they had chosen to rely for infringement. It then became incumbent upon them promptly to enter a disclaimer as provided in Sections 4917, 4922 R.S. U.S.C. Tit. 35 Sec. 65,71 as to each of the fourteen claims of that patent not included among those specified as relied on. No disclaimer having been

entered, and more than a reasonable time for entering a disclaimer having elapsed during the pendency of the appeal, the patent in its entirety became invalid, thereby rendering the controversy moot. To such effect see *Ensten* v. *Simon Ascher & Co.*, 282 U.S. 445, 453; *Maytag Co.* v. *Hurley Machine Co.*, 307 U. S. 243, 245, 246; *Marconi* v. *U. S.*, 320 U.S. 1, 45-48; *Otis Elevator Co.* v. *Pacific Finance Corp.*, (CCA9) 68 F(2) 664, 670, 671; *Railway Engineering Co.* v. *Oregon Short Line Co.*, (CCA10) 79 F(2) 469, 472; *Radio Condenser Co.* v. *General Instrument Corp.*, (CCA2) 65 F(2) 458, 459; and *Apex Electrical Mfg. Co.* v. *Maytag Co.*, (CCA7) 122 F(2) 182, 188, 189; Compare *Milcor Steel Co.* v. *George A. Fuller Co.* (CCA2), 122 F (2) 292, 294.

When the controversy became moot, the jurisdiction of the Sixth Circuit Court of Appeals as defined by law, U.S.C. Tit. 28, Sec. 225(a) failed. It then became the duty of that Court, as indicated in *Otis Elevator Co.* v. *Pacific Finance Corp.*, (CCA9) 68 F(2) 664, 669, 670; *Chipman Chemical Engineering Co.* v. *Reade Mfg. Co.* (CCA 3), 98 F(2) 198; *County of Dakota* v. *Glidden*, 113 U. S. 222, 225, 226; *U. S.* v. *Alaska S. S. Co.*, 253 U. S. 113, 116; *U. S.* v. *Anchor Coal Co.*, 279 U.S. 812, 813; *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.*, 322 U. S. 238, 249, 250; *United States* v. *Sotis* (CCA7), 131 F(2) 783, 787; upon the failure of its jurisdiction being brought to its attention, to vacate its decree and dismiss the appeal.

As this Court said in *United States* v. *Alaska S. S. Co.* 253 U. S. 113, 116:

> "Where, by an act of the parties, or a subsequent law, the existing controversy has come to an end, the case becomes moot, and should be treated accordingly. . . . No stipulation of parties or counsel . . . can enlarge the power, or affect the duty, of the Court in this regard."

Petitioners' motion to vacate the decree of the Court of Appeals and dismiss the appeal conformed to the practice prescribed by this Court in its recent adoption of Rule 60(b) of the Federal Rules of Civil Procedure abolishing bills of review and bills in the nature of bills of review and substituting therefor a motion or an independent action. It presented matters pertaining to the exercise of jurisdiction by the Court of Appeals and occurrences transpiring during the pendency of the appeal. The disclaimer question orginated in the Court of Appeals. Moreover, the motion presented a jurisdictional question in manner and form sanctioned by this Court in *County of Dakota* v. *Glidden*, 113 U.S. 222, 225, 226; *U. S.* v. *Alaska S. S. Co.*, 253 U.S. 113, 116; *U. S.* v. *Anchor Coal Co.*, 279 U.S. 812, 813; and other cases. The motion was filed while the Court of Appeals still had jurisdiction of the appeal, the mandate not having issued, as in the case of *McCullough* v. *Kammerer Corp.* (CCA9) 156 F (2) 343, 344, which plainly conflicts with the decision of the Court of Appeals in this case. Compare *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.*, 322 U.S. 238, 239, 240; *Freeman* v. *Altvater* (CCA 8), 130 F (2) 763, 764.

In failing to grant petitioners' motions, the Court of Appeals has departed from the decisions of this Court and of the several circuit courts of appeals which have been cited and from the usual and accepted course of judicial proceedings to an extent calling for this Court's power of supervision.

The Court of Appeals has Departed from Applicable Decisions of this Court in respect to an Important Question of Federal Procedure.

Not only does the instant case present a question believed to be quite as deserving of consideration by this

Court, independently of conflict of decision among the circuit courts of appeals, as the matters which were involved in the *Hazel-Atlas Glass Co.* case; *Mercoid Corp.* v. *Mid-Continent Investment Co.*, 320 U. S. 661, 663; *Muncie Gear Works* v. *Outboard Co.*, 315 U.S. 759, 768; *McCullough* v. *Kammerer Corp.*, 323 U. S. 327; in view of the disclaimer statutes and the continued holding out of the Daukus patent as valid in the face of the unappealed part of the judgment of the District Court; but it presents an important question of federal procedure which it is believed this Court would wish to review in keeping with its decisions in *Altvater* v. *Freeman*, 319 U.S. 359, 363; *McCullough* v. *Kammerer Corp.*, No. 755, October Term 1946, decided April 28, 1947, ... U.S. ....., 73 USPQ 136; *Bowman* v. *Loperena*, 311 U.S. 262, 266; *Hormel* v. *Helvering*, 312 U.S. 552, 557; *Sprague* v. *Ticonic National Bank*, 307 U.S. 161, 168, 169.

The order of the Sixth Circuit Court of Appeals denying petitioners' motions presents the important procedural question:

Whether or not the jurisdiction of a Circuit Court of Appeals, on appeal by defendants from that part of a District Court's judgment which dismissed their counterclaim charging infringement of United States Letters patent, may be questioned by motion filed by appellees in the Court of Appeals promptly after denial by the Supreme Court of a petition for writ of certiorari to review a decree of the Court of Appeals reversing the judgment but before issuance of mandate? The motions were supported by affidavits and set forth facts (not disputed) showing in the one case that the decree of the Court of Appeals exceeded its jurisdiction and in the other that while the appeal was pending the patent had been rendered invalid in its entirety and the controversy moot because of unrea-

sonable neglect or delay to enter a disclaimer under Sections 4917, 4922 R.S., U.S.C. Tit. 35, Secs. 65, 71.

The Sixth Circuit Court of Appeals in its order entered April 9, 1947, without opinion, has in effect answered that question in the negative. Its decision to that effect plainly conflicts with that of the Ninth Circuit Court of Appeals in *McCullough* v. *Kammerer Corp.*, 156 F. (2) 343, 344, and departs from several decisions of this Court as already noted. While the *McCullough* case differs from this one in that there the defense arose prior to suit and was pleaded but not maintained and here the jurisdictional questions arose while the cause was pending on appeal in the Court of Appeals that difference should only fortify the propriety of the procedure followed. Certainly, if it was proper to reopen the *McCullough* case to permit consideration of a defense which had been passed over and a defense equitable in character, it may with greater force be urged that it was obligatory upon the Court of Appeals to consider and unequivocally to act on the jurisdictional questions here presented. Especially is it so as to the question of failure of jurisdiction due to invalidity of the patent resulting from failure to conform to statutory requirements in respect to disclaimer. For such questions are of the highest dignity. And it seems to be the import of the decisions of this Court which have been cited that timeliness is not a critical factor in presenting a jurisdictional objection, at least in the degree indicated in this case.

Considering that the questions presented by petitioners' motions arose during the pendency of the appeal and involve the very jurisdiction of the Court of Appeals, it would seem that the motions were timely, as has been stated, and that they satisfy the requirements of the opinion of this Court in the first *McCullough* case and the *Muncie* case. If petitioners had delayed their presentation of the questions raised by their motions until after

issuance of the mandate they would have been confronted with the requirements of *John Simmons Co.* v. *Grier Brothers Co.*, 258 U.S. 82, 91 and the doubt indicated in the *Marconi* case, 320 U.S. 47, 48. As this Court said in *Hormel* v. *Helvering*, 312 U.S. 552, 557:

> "Rules of practice and procedure are devised to promote the ends of justice, not to defeat them. A rigid and undeviating judicially declared practice under which courts of review would invariably and under all circumstances decline to consider all questions which had not previously been specifically urged would be out of harmony with this policy. Orderly rules of procedure do not require sacrifice of the rules of fundamental justice."

While the Court of Appeals denied petitioners' motions without opinion, unless the decree of that court be modified or vacated it will very probably be argued in behalf of respondents, come the hearing on settlement of the decree of the District Court on the mandate, that the denial of the motions was on the merits and that the District Court is controlled thereby. Compare *Bowman* v. *Loperena*, 311 U.S. 262, 266; *Sprague* v. *Ticonic National Bank* 307 U.S. 161, 168. And the District Court will have to determine that question. Depending on its determination of that question, the District Court will have to determine the further procedural question posed in the final paragraph of the lately filed opinion of this Court in the *McCullough* case, as to whether or not the District Court has the authority to reopen the proceedings to consider the disclaimer question.

The decree of the Sixth Circuit Court of Appeals, in pronouncing "the patent" valid, moreover, not only purports to adjudicate issues which were excluded from its consideration by the limited scope of the appeal but, if

permitted to stand, must surely confound the District Court. It imposes on the latter the impossible duty of reconciling with the unappealed part of its own judgment adjudging all claims of the patent in suit invalid, the decision of the Court of Appeals pronouncing "the patent" valid and adjudging a lesser number of claims thereof valid and infringed; and this, in the face of the disclaimer statutes. It seems manifestly improper from the point of view of proper administration of justice that the District Court should be placed in such a predicament.

The reversal of the order and the granting of the motion to vacate the decree of the Court of Appeals and dismiss the appeal would obviate the necessity of further proceedings and enable expeditious disposal of the litigation. There is no dispute as to the facts requiring the trial of any issue below. Resort to proceedings such as indicated in the *John Simmons Co.* case and *International Union* v. *Eagle-Picher Co.*, 325 U.S. 335, would involve unnecessary delay and expense.

For the reasons stated, it is believed that the writ should issue.

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